

As fuel prices in Vermont and throughout the country rise to levels not seen since the 2008 price spike, Rep. Peter Welch (D-Vt.) announced Thursday that he will seek to clamp down on energy speculation in the next Congress.

Welch, a long-time advocate of energy market transparency, said he plans to introduce two bills in the next Congress to address energy market manipulation:

The Prevent Unfair Manipulation of Prices (PUMP) Act:

Long championed by retiring Rep. Bart Stupak (D-Mich.), the PUMP Act would ensure all energy futures are subject to oversight by the Commodities Future Trading Commission (CFTC). Currently, the majority of energy futures are traded off market, excluding them from proper oversight by the CFTC.

The Stop Tax-breaks for Oil Profiteering (STOP) Act:

Currently, speculators pay a lower tax rate on profits from futures than commercial users do. This encourages speculation and distorts the normal supply-demand balance of the market. The STOP Act - a counterpart of which was introduced in the Senate by Senator Ron Wyden (D-Ore.) - would close this loophole, forcing speculators to pay the same rate as commercial users.

According to Vermont's December fuel report, gasoline prices have jumped \$.46 a gallon since September, bringing the average price of a gallon of gas to \$3.14. With supply strong and demand relatively weak, many economists believe prices have risen beyond what the market should allow. This most recent rise in gasoline prices has coincided with a sharp rise in speculative energy contracts.

In May, Welch called on the CFTC to use their existing authority to crackdown on energy speculation. In July, he supported the Dodd/Frank Financial Reform legislation, which gave greater oversight of the energy commodities market to the CFTC. To further address this issue, Welch is joining with Rep. Stupak - who has been a forceful advocate for this cause during his 17 years in Congress - to continue the fight for energy market transparency in the 112th Congress.

"Congressman Welch was an early supporter of the PUMP Act and continues to fight to bring commonsense to our energy markets," Stupak said. "I am pleased that he will be reintroducing this important piece of legislation and continuing this important fight in the next Congress."

The 112th Congress will convene on January 5, 2011.